

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA,)	<u>I N F O R M A T I O N</u>
)	
Plaintiff,)	
)	
v.)	CR. NO. _____
)	Title 26, United States Code
BERNARD J. JOHNSON,)	Section 7201
)	
Defendant.)	

The United States Attorney charges:

1. On or about the dates set forth below, in the Northern District of Ohio, Eastern Division, the defendant, BERNARD J. JOHNSON, a resident of North Canton, Ohio, who was married, did willfully attempt to evade and defeat a large part of the income tax due and owing by him and his wife to the United States of America for the calendar years listed below, by preparing and causing to be prepared, and by signing and causing to be signed, for each calendar year, a false and fraudulent joint U.S. Individual Income Tax Return, Form 1040, which was filed with the Internal Revenue Service, which said return reported amounts of his and his wife's joint taxable income and income taxes due and owing thereon which the defendant, at the time the return was prepared, signed, and filed, then and there well knew and believed were

substantially less than their actual joint taxable income and income taxes due and owing thereon for that calendar year, as set forth below:

<u>Date</u>	<u>Year</u>	<u>Reported Taxable Income</u>	<u>Actual Taxable Income</u>	<u>Reported Taxes owing</u>	<u>Actual taxes owing</u>
04/15/2002	2001	\$27,531	\$206,897	\$4,129	\$56,196
04/15/2003	2002	\$64,976	\$414,971	\$11,339	\$130,938
04/15/2005	2004	\$47,077	\$302,560	\$6,346	\$80,870

2. During the calendar year 2003, the defendant, BERNARD J. JOHNSON, a resident of North Canton, Ohio, had and received taxable income of approximately \$283,443, with an income tax due and owing thereon to the United States of America of approximately \$74,982; well knowing the foregoing facts, the defendant, from on or about January 1, 2003, through on or about October 15, 2004, in the Northern District of Ohio, Eastern Division, did willfully attempt to evade and defeat said income tax due and owing by failing to make an income tax return for said calendar year to the Internal Revenue Service (IRS) on or before October 15, 2004, as required by law, by failing to pay to the IRS said income tax at the time required by law, and by concealing his receipt and disposition of income through the following means:

- (a) using a series of trust or "common law business organization" ("CBO") entities to disguise his income by transferring funds totaling approximately \$293,600 from his corporate dental practice to one of the entities, mostly recorded on his dental practice records as fees for services, and then using the CBO entities to make personal expenditures and investments in his behalf;
- (b) filing a false U.S. Corporation Income Tax Return, Form 1120, of Bernard J. Johnson, DDS, Inc., for the year 2003, on or about September 13, 2004, which claimed false deductions totaling \$263,000 for "Professional Management Fees," "Professional Administrative Services," and "Professional Consultants," which actually constituted part of the personal

income he received by transferring funds from the dental practice to bank accounts in the name of one of his CBO entities; and

- (c) causing a professional tax preparer to prepare a joint individual income tax return for that year on his and his wife's behalf (which he did not file), which was false in that the return did not report the personal income he received from using the funds transferred from his dental practice to his CBO bank accounts.

All in violation of Title 26, Section 7201, United States Code.

WILLIAM J. EDWARDS
Acting United States Attorney